

## **Glossary of Real Estate Terms**

**(Note: For additional definitions, see [A.R.S. § 32-2101. Definitions](#))**

**Accelerated Settlement Agreement Process (ASAP)** – a form of settlement of an Enforcement and Compliance case in which the Respondent admits to the charges and pays a civil penalty. The ASAP is generally a one page document.

**Assistant Attorney General (AAG)** – legal officials of the Attorney General’s office who represent the Department of Real Estate.

**Assistant Commissioner** – an upper-level manager of a division of the Department. Assistant Commissioners answer to the Commissioner and may act for the Commissioner in designated roles or in the Commissioner’s absence.

**Associate Broker** – a licensed broker employed by another broker. Unless otherwise specifically provided, an associate broker has the same license privileges as a salesperson.

**Broker Audit Declaration** – a “self-audit” form completed by Designated Brokers at the time of renewal of their personal broker’s license.

**Commissioner** – appointed by the Governor with the consent of the State Senate. Is overall responsible for the Department of Real Estate.

**Commissioner’s Final Order** – a disciplinary action taken as the result of and at the conclusion of an Administrative Hearing. A Commissioner’s Final Order may be appealed to the Superior Court of Arizona within 30 days of issuance.

**Compensation** – any fee, commission, salary, money or other valuable consideration for services rendered or to be rendered as well as the promise of consideration whether contingent or not.

**Compliance Officer** – responsible for monitoring and enforcing the terms of Orders or Consent Orders affecting respondents and their cases with the Department of Real Estate.

**Consent Agreement/Consent Order** – a disciplinary action resulting from negotiations between the Department and the Respondent. A Consent Agreement/Order is mutually agreed to and is a final action in a disciplinary case; it cannot be appealed.

**Designated Broker** – a natural person who is licensed as a broker and who is either designated to act on behalf of an employing real estate, cemetery or membership camping entity OR doing business as a sole proprietor.

**Development Investigations and Services** – the Division of the Department of Real Estate that issues Disclosure Reports (Public Reports) for subdivisions, unsubdivided

land, timeshares and membership campgrounds, and Certificates of Authority for cemeteries. The Division also investigates all land development related complaints.

**Education Fund** – a revolving fund consisting of monies received from the sale of educational matter and grants of monies to be used in the production of educational products. Monies in the fund are used for printing a compilation of real estate laws and rules and other educational publications and for such other educational efforts as the commissioner deems helpful and proper for the guidance and assistance of licensees and the public. Expenditures from the fund and reimbursement to the fund are prescribed by rules of the department of administration. Monies received in the real estate department education revolving fund are not subject to reversion, except that all monies in the fund in excess of twenty-five thousand dollars at the end of the fiscal year revert to the state general fund.

**Employing Broker** – a person who is licensed or is required to be licensed as a Broker entity pursuant to section 32-2125, subsection A, OR as a sole proprietorship (entity) if the sole proprietor is a licensed broker.

**Enforcement and Compliance Division** – the Division of the Department of Real Estate that is responsible for the enforcement of statutes and rules affecting the regulation of the real estate profession in Arizona.

**Inactive License** – a license issued to a licensee who is on inactive status during the current license period and who is not engaged by or on behalf of a broker.

**Letter of Concern** – an advisory letter to notify a licensee that, while the conduct or evidence does not warrant other disciplinary action, the commissioner believes that the licensee should modify or eliminate certain practices and that continuation of the activities may result in further disciplinary action against the licensee.

**License** – the whole or part of any Department permit, certificate, approval, registration, public report, charter or similar form of permission required by law.

**License Period** – the two or four year period beginning with the date of original issue or renewal of a particular license.

**Licensee** – a person or entity to whom a license for the current license period has been granted under any provision of the real estate laws including original license applicants.

**Licensing and Education Division** – the Division of the Department of Real Estate responsible for:

- a) issuing and renewing real estate licenses
- b) approving real estate schools, instructors, and courses

**Licensing Investigations and Auditing** – the Division of the Department of Real Estate that investigates complaints against licensees and audits brokers and employing brokers. The auditors also review Broker Audit Declarations for completeness and accuracy.

**Person** – any individual, corporation, partnership or company and any other form of multiple organization for carrying on business, foreign or domestic. A.R.S. § 32-2101(43)

**Provisional License** – a license the Department issues that allows a licensee to practice as a salesperson or broker subject to either a consent order as prescribed in A.R.S. § 32-2153.01 or the Commissioner's terms, conditions and restrictions.

**Real Estate Recovery Fund** – a fund provided for the benefit of any person aggrieved by any act, representation, transaction or conduct of a licensed real estate or cemetery broker or real estate or cemetery salesperson that violates the real estate statutes or the rules. The fund shall only pay for a loss that is an actual and direct out-of-pocket loss to the aggrieved person directly arising out of the real estate or cemetery transaction, including reasonable attorney fees and court costs (see A.R.S. § 32-2186).

**Respondent** – the party (individual or entity) against whom allegations of rule or statute violations are made.

**Review Committee** – a committee consisting of representatives from Licensing, Licensing Investigation, Enforcement and Compliance and, where appropriate, Education, that meets to consider applications in which the applicant is not clearly eligible for licensure. The Review Committee recommends that applications be “Approved,” “Denied,” or “Approved with a Provisional License”. The Committee may also refer the application to the Licensing Investigation Division to obtain further information.

**Rules** – part of the Arizona Administrative Code. Rules are established by state agencies through a process that requires public input and approval by the Governor's Regulatory Review Committee. Rules clarify and expand on statutes and violation of them may result in disciplinary action.

**Statutes (Laws)** – the primary statutes enforced by the Department of Real Estate are found in Title 32 Chapter 20 of the Arizona Revised Statutes (A.R.S. § 32-2101 through 32-2198.14).